

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)	
FLEMING COUNTY WATER ASSOCIATION,)	CASE NO. 90-104
INC.)	

O R D E R

On April 26, 1990, Fleming County Water Association, Inc. ("Fleming") filed its revised tariff with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure. KRS 278.015 and 807 KAR 5:068.

The Commission, having reviewed the evidence of record and being sufficiently advised, finds:

1. Fleming purchases water from the city of Flemingsburg ("Flemingsburg"), Rowan Water, Inc. ("Rowan") and Western Fleming County Water District ("Western Fleming").

2. Flemingsburg increased its rate for wholesale water from \$1.05 to \$1.45 per 1,000 gallons, effective January 1, 1990.

3. Pursuant to the Commission's Order dated February 3, 1989 in Case No. 10431,¹ Western Fleming increased its rate for wholesale water from \$1.00 to \$1.14 per 1,000 gallons, effective February 3, 1989.

¹ Case No. 10431, Tariff Filing of Western Fleming County Water District.

4. During the 12 months ending February 28, 1990, Fleming purchased 35,905,700 gallons of water from Flemingsburg, 58,560,000 from Rowan, and 16,242,000 from Western Fleming. Fleming sold 92,048,010 gallons of water during the same 12-month period.

5. Fleming's calculation of its purchased water adjustment factor is correct and shows an increase in purchased water costs of \$16,636, resulting in a purchased water adjustment of 18 cents per 1,000 gallons of water.

6. A purchased water adjustment of 18 cents per 1,000 gallons and the rates contained in Appendix A are fair, just, and reasonable and should be approved.

7. The rates contained in the tariff sheet filed by Fleming are incorrect in that the tariff shows an increase in the Membership Fee from \$10 to \$20 per member, approval of which was not requested by Fleming nor should be considered in this case.

8. The revised tariff sheet filed by Fleming lists an effective date for the proposed rate increase of April 1, 1990. Fleming's application was filed with the Commission on April 26, 1990. KRS 278.012 and 807 KAR 5:068, Section 3, require a water association to file its revised tariff with the Commission within 20 days of the date it adjusts its rates due to increases in purchased water costs. Thus, water associations are authorized to charge the adjusted rates for a maximum of 20 days prior to filing a revised tariff with the Commission. If Fleming, in fact, increased its rates effective April 1, 1990, it should be required

to refund any revenue collected from the increased rates outside the 20 day authorized period.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment of 18 cents per 1,000 gallons and the water rates proposed by Fleming and shown in Appendix A, attached hereto and incorporated herein, are approved for services rendered on and after the date of this Order.


2. Within 30 days of the date of this Order, Fleming shall file a revised tariff setting out the rates approved herein.

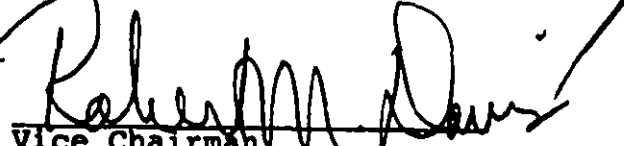
3. Fleming shall refund to its customers any amount collected under the increased rates for a period longer than 20 days before April 26, 1990. Proof that such refunds have been made shall be forwarded by Fleming to the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky, within 60 days of date of entry of this Order. Proof of payment may be demonstrated by copies of cancelled checks or by any other means deemed sufficient by the Commission. If Fleming did not charge the increased rates outside the 20 day authorized period, it shall file a certified statement to that effect with the Commission within 20 days of date of entry of this Order.

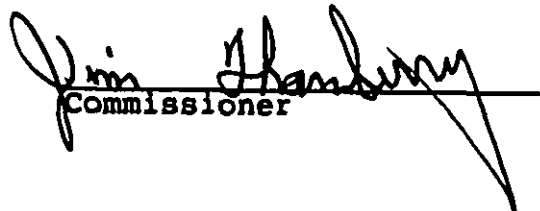
4. If Fleming disputes that it is required to refund these monies, it shall request a hearing on this matter before the Commission within 20 days of date of entry of this Order.

Done at Frankfort, Kentucky, this 21st day of May, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 90-104 DATED 5/21/90

The following rates and charges are prescribed for the customers in the area served by Fleming County Water Association, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Monthly Rates - All Customers

First 2,000 gallons	\$8.87 Minimum Bill
Next 8,000 gallons	3.96 per 1,000 gallons
Next 40,000 gallons	2.66 per 1,000 gallons
Over 50,000 gallons	1.91 per 1,000 gallons